

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 899 – HB 1017

April 10, 2017

SUMMARY OF ORIGINAL BILL: Increases, from 30 to 35 days, the period of time within which an administrative judge is required to convene parties for a scheduling conference for a violation hearing concerning the Water Quality Control Act of 1977.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (005272, 006644): Amendment 005272 deletes all language after the enacting clause. Authorizes the Department of Environment and Conservation (TDEC) to adopt a more stringent definition of a “concentrated animal feeding operation” (CAFO) by adopting rules by the Board of Water Quality, Oil and Gas, in accordance with the Uniform Administrative Procedures Act.

Prohibits any person from discharging a pollutant from a concentrated animal feeding operation without a valid permit, rather than prohibiting such person from construction, installation or operation of a concentrated animal feeding operation without a valid permit. Authorizes a person who operates a concentrated animal feeding operation for which a permit is not required to voluntarily apply for issuance of a permit.

Amendment 006644 changes the effective date for the bill as amended by amendment 005272 from upon becoming a law to March 1, 2018.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Other Fiscal Impact – A potential mandatory increase in local government expenditures; the extent and timing of any such expenditure cannot be determined because such impacts are dependent upon several unknown factors.*

Assumptions for the bill as amended:

- Currently, TDEC issues permits to facilities that require planning and activities for the prevention of unintended discharges without any fees.

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- The proposed bill as amended could result in TDEC issuing additional NPDES permits and taking additional enforcement actions.
- Based on information provided by TDEC, it is assumed that the elimination of mandatory permits will not result in staff reduction or a quantifiable increase in revenue from enforcement and permitting to the Department.
- To the extent that mandatory permitting of CAFOs is eliminated, there would potentially be a mandatory increase in local expenditures because such permit elimination could result in additional unintended discharges. The extent of any such expenditure is unknown and dependent upon several unknown factors such as the number of entities that would be required to treat unintended discharges and the extent of any expenses required to treat any such discharge.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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